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3 *Pro Hac Vice*
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16 Local Counsel
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20 **UNITED STATES DISTRICT COURT**
21 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
22 **SOUTHERN DIVISION**
23

24 _____)
25)
26 **U.S. COMMODITY FUTURES**)
27 **TRADING COMMISSION**)
28)
29 **Plaintiff,**)
30)
31 **v.**)
32)
33 **FOREX LIQUIDITY LLC,**)
34)
35 **Defendant**)
36 _____)

CIVIL ACTION NO.
SACV 07-1437 CJC (RNBx)

37
38 **CONSENT ORDER OF PRELIMINARY INJUNCTION**

1 Plaintiff U. S. Commodity Futures Trading Commission (“CFTC”) and
2 Robb Evans & Associates, LLC (“Receiver”), as the Receiver for defendant Forex
3 Liquidity LLC (“FXLQ”) have stipulated and consented to the entry of this
4 Consent Order of Preliminary Injunction and Ancillary Equitable Relief (“Consent
5 Preliminary Injunction Order”). Attorneys for Robert Gray (“Gray”), the principal
6 shareholder and president of FXLQ¹, have authorized the Receiver to represent to
7 the Court that they have reviewed the form and contents of this Consent
8 Preliminary Injunction Order, and they have no objection to the entry of this
9 Consent Preliminary Injunction Order. Based on this representation and in
10 accordance with the provisions of the Statutory Restraining Order entered by this
11 Court on December 14, 2007 (“SRO”), the Receiver is executing this Consent
12 Preliminary Injunction Order as the court-appointed Receiver for FXLQ.

13 Plaintiff, the United States Commodity Futures Trading Commission
14 (“Commission”) and Defendant Forex Liquidity LLC (“FXLQ”) have consented to
15 the entry of this Order for Preliminary Injunction with Asset Freeze (“Order”)
16 without an adjudication of the merits on any issue of fact or law, without waiving
17 any privilege under the Fifth Amendment to the United States Constitution, and

¹ Gray is represented by John Cotton, Esq. of Cotton & Gundzik LLP and Christine A. Scheuneman, Esq. of the firm Pillsbury Winthrop Shaw Pittman LLP.

1 without admitting or denying the allegations of the Complaint filed in this action
2 except as to venue and the Court's personal jurisdiction over Defendant, which
3 venue and personal jurisdiction Defendant admits. The Court having considered
4 all pleadings, memoranda, declarations, and other exhibits filed with the Court, and
5 now being fully advised in the premises, finds:

6 1. This Court has jurisdiction over the subject matter of this case
7 pursuant to Section 6c of the Commodity Exchange Act, as amended ("Act"),
8 7 U.S.C. § 13a-1 (2002) and it also has jurisdiction over Defendant FXLQ.

9 2. Based on the law and evidence submitted with the Commission's
10 Motion for *Ex Parte* Statutory Restraining Order, there is good cause to believe
11 that Defendant FXLQ has failed and will continue to fail to meet the minimum
12 adjusted net capital requirements for a futures commission merchants ("FCM")
13 registered with the Commission and a member of the National Futures Association
14 ("NFA") in violation of Section 4f(b) of the Act, 7 U.S.C. § 6f(b) (2002) and
15 Commission Regulations 1.17(a)(1)(C) and 1.17(a)(4), 17 C.F.R. §§ 1.17(a)(1)(C)
16 and 1.17(a)(4) (2006). There is also good cause to believe that Defendant FXLQ
17 has failed to maintain records that currently reflect its assets, liabilities and capital
18 in violation of Section 4f(a)(1) of the Act, 7 U.S.C. § 6f(a)(1) (2002), and
19 Commission Regulation 1.18, 17 C.F.R. § 1.18 (2006).

1 can be obtained and translated, if necessary, through detection devices into
2 reasonably usable form. A draft or non-identical copy is a separate document
3 within the meaning of the term.

4 3. “Defendant” means Defendant FXLQ and all persons who are acting
5 in the capacity of agents, servants, employees, successors, assigns, or attorneys of
6 said Defendant.

7 **I.**

8 **RELIEF GRANTED**

9 ***Prohibited Conduct***

10 **IT IS HEREBY ORDERED** that Defendant FXLQ is preliminarily
11 restrained and enjoined from violating Section 4f(b) of the Act, 7 U.S.C. § 6f(b)
12 (2002), and Commission Regulations 1.17(a)(1)(C) and 1.17(a)(4), 17 C.F.R.
13 §§ 1.17(a)(1)(C) and 1.17(a)(4) (2006), by operating as a FCM while failing to
14 satisfy the minimum adjusted net capital requirements for a FCM registered with
15 the Commission and a member of the NFA.

16 **IT IS FURTHER ORDERED** that Defendant FXLQ is preliminarily
17 restrained and enjoined from violating Section 4f(a)(1) of the Act, 7 U.S.C. § 6f(b)
18 (2002), and Commission Regulation 1.18, 17 C.F.R. § 1.18 (2006) by failing to
19 maintain records that currently reflect its assets, liabilities and capital.

1 duties and powers set forth in the SRO. Pursuant to the SRO, Defendant FXLQ
2 and all other persons or entities served with a copy of the SRO shall cooperate
3 fully with and assist the Receiver.

4 **IV.**

5 ***Interim Report by Receiver***

6 **IT IS FURTHER ORDERED** that the Receiver shall file an interim report
7 on or before February 4, 2008. Such interim report shall summarize information
8 obtained by the Receiver to date regarding the defendant FXLQ's assets and
9 liabilities, and shall include such additional information and recommendations as
10 the Receiver shall deem appropriate. Any response to the Receiver's interim report
11 shall be filed on or before February 15, 2008.

12 **V.**

13 ***Due Date for Filing of Answer or Responsive Pleading***

14 **IT IS HEREBY FURTHER ORDERED** that the date for defendant FXLQ
15 to answer or otherwise plead to the Complaint shall be extended to March 31,
16 2008.

17 **VI.**

18 ***Service of Order***

19 **IT IS FURTHER ORDERED** that copies of this Order may be served by

1 any means, including facsimile transmission, upon any financial institution or other
2 entity or person that may have possession, custody, or control of any documents or
3 assets of Defendant FXLQ that may be subject to any provision of this Order.

4 **VII.**

5 *Service of Pleadings and Filings upon the Commission*

6 IT IS FURTHER ORDERED that due to processing delays in the U.S. Mail
7 resulting from security screening of mail addressed to the U.S. Government in
8 Washington, D.C., all pleadings, correspondence, notices, filings, discovery or
9 other documents and materials associated with this case shall be served upon the
10 Commission via overnight delivery service or reliable means other than U.S. Mail.

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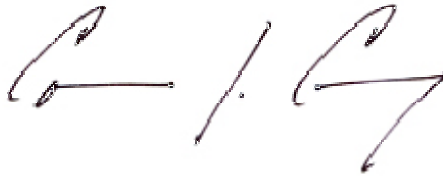
1 **VIII.**

2 *Force and Effect*

3 **IT IS FURTHER ORDERED** that this Order shall remain in full force and
4 effect until further order of this Court, and that this Court retains jurisdiction of this
5 matter for all purposes.

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7 **SO ORDERED**, at Santa Ana, on this 25th day of January, 2008.

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Cormac J. Carney
UNITED STATES DISTRICT JUDGE

17 Counsel for Plaintiff United States Commodity Futures Trading Commission
18 and Robb Evans & Associates LLC, as the Receiver for Defendant Forex Liquidity
19 LLC, hereby attest to their consent to all the terms and conditions of this Order of
20 Preliminary by affixing their signatures below.

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23 _____
24 Craig Welin, Esq.
25 Attorney for Receiver Robb Evans & Associates
26 As Receiver for Defendant Forex Liquidity LLC
27 Frandzel Robin Bloom & Csato, L.C.
28 6500 Wilshire Boulevard
29 Seventeenth Floor
30 Los Angeles, CA 90048
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